

# FISCAL NOTE

## SB 496 - HB 1305

February 10, 2005

**SUMMARY OF BILL:** Authorizes individual county employees to participate in any plan established by the local government insurance committee even if the county does not participate.

### ESTIMATED FISCAL IMPACT:

#### Increase Local Govt. Expenditures – Exceeds \$100,000\*

Assumptions:

- Under current law only county officials are eligible to participate when the county does not participate.
- 45 counties currently participate in the Local Government Insurance Plan (LGIP).
- It is estimated that passage of this bill would increase the overall risk level of the group because more higher risks individuals would move to the LGIP. As a result, individual premiums are expected to increase.
- The cost of such participation shall be determined by the committee.
- The official or employee may be required to bear the full cost of such participation.
- Any increase in local government expenditures depends on the amount of premium decided on by the committee and the number of individuals moving to the LGIP.
- Up to 1,000 higher risk individuals could move to the LGIP.
- Estimated increase in local government expenditures exceeds \$100,000.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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